

From: [Martha Durdin](#)
To: [Doug Jones](#)
Cc: [Martha Durdin](#); [Murray Yeadon](#); [Bryan Furber](#)
Subject: Re: Emergency Act - Credit Union Impact
Date: February 24, 2022 5:43:25 PM

Hi Doug,
Thanks for your input. We are trying to get a sense of the size of the impact on Credit unions and will be informing government.

Martha Durdin
Cell 416.797.0563
Sent from my iPhone

On Feb 24, 2022, at 12:43 PM, Doug Jones <Doug.Jones@cornerstonecu.com> wrote:

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Hello Martha. We responded today to the CCUA survey requesting information on any accounts that were frozen due to the subject directive. Our credit union did not have any accounts that required being frozen however we believe it is critical for you and government to be aware of other significant impacts to our business as a result of the Emergency Act implementation. We believe other financial institutions, including credit unions are experiencing the same challenges. Over the past week, we have received a high volume of demands for large cash withdrawals and are recently receiving inquiries regarding ordering gold bullion. As large as \$1 Million in cash, with several others demanding \$100,000 or more in cash. When questioning members on the purpose, it is beyond a concern over their accounts being frozen or accessed due to involvement in the recent freedom protests. Feedback indicates a general lack of trust in government as the concern and these demands have not subsided since the Emergency Act was withdrawn. So far, we have been able to satisfy some members with alternatives and/or a reduced amount of cash however some are very insistent so special arrangements are needing to

be made. We expect this issue to continue and will increase risk to consumers and financial institutions due to the significant increase in cash holdings. Insured limits for credit unions are sure to be breached in order to accommodate insistent requests. This could create a cash shortage throughout the country and cause a run on liquidity throughout the financial sector. Of course, we have and will continue to comply with regulatory reporting requirements for unusual and/or large cash transactions.

We believe this challenge is and will continue to have much more impact on our industry than a small group of targeted people's accounts being frozen. We encourage the CCUA to gather feedback from credit unions and assuming there is alignment with our concerns, bring this matter to the attention of government. More awareness and education on the dangers of this behavior needs to be promoted to Canadians. If the CCUA were to draft a letter, Cornerstone would and we believe other credit unions would issue it to our local Minister.

Thank you for your consideration to this matter and please reach out to me if you would like to discuss further.

Regards,

Doug Jones

Chief Executive Officer
Cornerstone Credit Union
64 Broadway St. E., Yorkton, SK S3N 0K7
t 306-786-2222 | c 306-621-2039
doug.jones@cornerstonecu.com

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